Discussion Points

Federal Budget Changes

1. On March 16, 2017, the President of the United States released the "America First" preliminary budget proposal for federal FY 2018. The proposal includes many substantial changes to funding levels of federal agencies and programs. If enacted, many of the changes could affect the finances of and programs operated by the State of New Jersey. The Governor's FY 2018 Budget Recommendation includes a total appropriation of approximately $1.6 billion to the Department of Health (DOH). Of that amount, some $569.5 million (or 35.5 percent) represents the authorization to use funds anticipated to be received from the federal government.

- **Questions:**
  a. **Please identify each source of federal funding included in the Governor's FY 2018 Budget Recommendation for the Department of Health that the department concludes would be reduced or increased by ten percent or more if the President of the United States' preliminary budget proposal for federal FY 2018 were to be enacted, and the estimated amount of each increase or decrease.**

     The impact of federal funding changes cannot be calculated until a federal budget is enacted.

  b. **Please evaluate the impacts the changes identified in Question a. would have on programs operated by the department absent funding adjustments from other sources. How would the clients served by these programs be affected? To what extent would the department's monitoring, regulatory, and administrative activities, including as measured by performance metrics, be affected? What would be the impact on the department's workforce?**

     The impact of federal funding changes cannot be calculated until a federal budget is enacted.

Property Use

2. Among its total capital assets, the State has considerable land holdings, valued by the FY 2016 Comprehensive Annual Financial Report at about $5.22 billion (Land and Easements, pg. 26). Land and easements may be held for future use, restricted as to future uses, or not needed for public purposes and available for sale, lease or other disposition. Knowledge about the extent, location, condition and intended use of these properties and property rights does not appear to be readily available. There could be potentially beneficial uses of some properties, other than those intended by the state agency in control of the properties, depending on the size, location and condition of those properties.

- **Questions:**
  a. **Please list each property under ownership or control of the department comprising unimproved or vacant land one acre or more in size, excluding land comprising all or part of a State park, recreation or wildlife management area, identifying each property by county and municipal location, street address, tax map block and lot number and, if available, Global Positioning System coordinates. Please provide the size of the property, its current use, intended future use within the next five years, and any known or suspected environmental contamination that would impede its future use. Please also describe any deed restrictions affecting current and future use.**

     The Department does not own or control any unimproved or vacant land.

Discussion Points (Cont'd)

b. What are the department's policies and procedures for determining future uses of its land holdings that further the department's mission, and for allowing beneficial uses of its land in ways that are outside the department's traditional mission?

The Department does not own or control any unimproved or vacant land.

Health Services

Lead Testing

3. P.L.2017, c.7 (C.26:2-131 et al.) requires the Department of Health to ensure that all department regulations regarding elevated blood lead levels and the appropriate responses thereto, are consistent with the most recent recommendations of the federal Centers for Disease Control and Prevention (CDC). In practice, this law will compel the State to take responsive action where a lead screening test shows an elevated blood lead level of five micrograms per deciliter or more. This is lower than the previous standard, which required action at 10 micrograms per deciliter or more. Additionally, the law requires the department to, on at least a biennial basis, review and revise the rules and regulations to ensure that they comport with the CDC's latest guidance on this issue.

State law and regulations (N.J.S.A.26:2-137.1 through N.J.S.A.26:2-137.7 and N.J.A.C.8:51A) require a physician, a registered professional nurse, or a health care facility, unless exempt, to perform a two-part lead screening test on each patient who is between six months and six years of age. If the child's test indicates an elevated blood lead level then the local board of health will be required to provide environmental intervention at the child's primary residence, and at any planned relocation address, and to ensure that a public health nurse provides case management services to the child and the family. Case management involves the coordination, oversight, and provision of services necessary to identify the lead source, eliminate the child's exposure to lead, and reduce the child's blood lead level below a level of concern.

The FY 2018 Budget Summary stated that "Governor Christie has added $10 million in additional State funding to effectuate the update in lead regulations to make New Jersey's standards for identifying elevated blood-lead levels in children consistent with those of the federal Centers for Disease Control and Prevention."

- **Questions:**

a. What is the department's FY 2017 and recommended FY 2018 appropriation for lead prevention activities? In what line item(s) are these appropriations located? Which of the line items include the additional $10 million that the FY 2018 Budget Summary stated was recommended to effectuate the update in lead regulations?

For FY 2017, the Department appropriated over $4 million to support lead prevention activities. The Department dedicated $2.2 million in state funding from the Maternal, Child and Chronic Health Service Grant, $1.7 million in federal funding from Lead Abatement and Enforcement programs and the federal Maternal Child Health Block Grant, and $160,000 in dedicated revenue from Lead Abatement Certification.

For FY 2018, the recommended appropriation is over $14 million to support lead prevention activities. The Department is appropriating $12.2 million in state funding from the Maternal, Child and Chronic Health Service Grant, $1.7 million in federal funding from Lead Abatement

Discussion Points (Cont'd)

and Enforcement programs and the federal Maternal Child Health Block Grant, and $160,000 in dedicated revenue from Lead Abatement Certification.

b. What is each local board of health's FY 2017 and recommended FY 2018 appropriation for lead prevention activities?

The local and regional health departments' FY 2017 appropriations for lead prevention activities are:

1. East Orange Health Department: $250,000
2. Irvington Health Department: $165,000
3. Newark Health Department: $465,780
4. Hudson Regional Health Commission: $25,000
5. Jersey City Health Department: $195,000
6. Passaic (City) Health Department: $159,250
7. Paterson Health Department: $230,846
8. Plainfield (JFK Health System): $320,000
9. Middlesex County Health Department: $130,000
10. Ocean County Health Department: $75,000
11. Trenton Health Department: $150,000
12. Camden County Health Department: $75,000
13. Cumberland County Health Department: $208,250

FY 2018 allocations will be based on FY 2016 case counts.

c. What is the department's plan for apportioning the increased appropriation to local boards of health to implement the new standards imposed by P.L.2017, c.7?

FY 2018 allocations will be based on FY 2016 case counts.

Medical Marijuana Program

4. P.L.2016, c.53 was enacted on September 14, 2016 and added post-traumatic stress disorder (PTSD) to the list of debilitating medical conditions that would qualify a patient to receive medical marijuana under the "New Jersey Compassionate Use Medical Marijuana Act" (N.J.S.A.24:6I-1 et seq.). According to the Medicinal Marijuana Program 2016 annual report, 466 individuals (or 2.67 percent of the total number of approved program participants) were approved for the program with a diagnosed condition of PTSD as of December 31, 2016.[1]

Additionally, according to the report, the FY 2017 program budget consisted of an appropriation of $1,607,000 and a carry forward balance from FY 2016 of $98,386 for a total of $1,705,386. Revenue generated from January 1, 2016 to December 31, 2016 from the issuance of patient and caregiver identification cards and alternative treatment center permitting was $881,358. This revenue is used to help offset the operating cost of the program.

- **Questions:**

a. What is the anticipated change in the total number of patients in FY 2018? How many additional patients does the department anticipate will have a PTSD diagnosis?

[1] http://www.nj.gov/health/medicalmarijuana/documents/annual_report_2016.pdf

Discussion Points (Cont'd)

The anticipated change in the total number of patients in FY 2018 is 3000.
The Department anticipates that 1,000 additional patients will have a PTSD diagnosis.

b. How many more staff, if any, did the department hire in FY 2017 to respond to the increase in patients with PTSD diagnosis? What is the annualized cost of this staff?

In response to overall program growth, the Department added three positions in FY 2017 at an annualized cost of $118,000.

c. Does the department anticipate any need to hire more staff in FY 2017 or FY 2018?

The Department continually monitors overall program expansion and patient growth to determine the proper staffing levels.

Maternal, Child and Chronic Health Services

5. A variety of grant programs in the Division of Family Health Services are funded under the Maternal, Child and Chronic Health Services (MCCH) budget line (page D-150). Prior to FY 2012, the programs and their funding were detailed in the budget. Beginning with the Governor's FY 2012 Budget, all of the programs were combined into one funding line. Each year, the department provides to the OLS the funding detailed by program area, and, in FY 2016, it also listed each grantee's appropriation.

The Governor's FY 2018 Budget Recommendation includes a $10.0 million increase to the MCCH Grants-in-Aid appropriation, from $26.95 million to $36.95 million. At the conclusion of FY 2016, $3.3 million from the MCCH line was reverted to the General Fund. Additionally, annual appropriations language funds DOH administrative expenditures for the MCCH program out of the program's Grants-in-Aid appropriation (about $1.7 million per year).

- **Questions:**

a. Please break down the MCCH funding by program and the amount each grantee received or is intended to receive in FY 2017 and FY 2018.

Description	Allocation	Grantee	FY 17	FY 18
Hemophilia	1,245,000			
		NEWARK BETH ISRAEL MEDICAL CEN	194,840	175,840
		RUTGERS THE STATE UNIV RBHS	294,392	275,670
		PRIME HEALTHCARE	209,449	192,409
		CHILDRENS HOSPITAL OF PHILA	143,670	143,670
		HEMOPHILIA ASSOC OF NJ	386,547	457,408
Sub-Total			**1,228,898**	**1,244,997**
Special Child Health Services(SCHS)-Case Management	669,356			
		AHS HOSPITAL CORP Morristown	41,362	38,862

Discussion Points (Cont'd)

		ATLANTIC CO	11,441	14,336
		BERGEN CO	16,928	16,928
		BURLINGTON CO	35,352	35,352
		CAMDEN CO COURT HOUSE	70,233	68,004
		CAPE MAY CO DEPT OF HEALTH	5,032	5,032
		CATHOLIC FAMILY AND COMMUNITY	16,471	13,759
		CHILDRENS SPECIALIZED HOSPITAL Union	26,945	25,700
		CUMBERLAND CO	13,006	13,006
		ESSEX CO	88,490	88,490
		GLOUCESTER CO	31,127	31,127
		HUNTERDON MEDICAL CENTER	5,808	5,808
		JERSEY CITY MEDICAL CENTER	5,549	5,549
		MERCER CO SPECIAL SERVICES	16,491	16,491
		MIDDLESEX CO	12,146	12,146
		OCEAN COUNTY BOARD OF	15,670	15,670
		SALEM CO	7,158	7,158
		SOMERSET CRIPPLED	15,788	14,635
		STATEWIDE PARENT ADVOCACY	92,684	92,684
		SUSSEX CO	11,000	11,000
		VISITING NURSE ASSOCIATION OF	35,080	43,975
		WARREN CO	14,029	14,029
		NJAAP	1,702	-
		TBD - FY 18		79,615
Sub-Total			**589,492**	**669,356**
SCHS- Ped Tertiary	1,069,579			
		MONMOUTH MEDICAL CTR	22,100	22,100
		THE COOPER HEALTH SYSTEM	62,200	62,200
		SAINT BARNABAS MEDICAL CENTER	83,300	83,300
		ST. JOSEPHS REGIONAL MEDICAL C	39,900	39,900
		ST. PETERS UNIVERSITY HOSPITAL	19,200	19,200
		THE COOPER HEALTH SYSTEM	252,900	252,900
		NEWARK BETH ISRAEL MEDICAL CEN	310,500	310,500

Discussion Points (Cont'd)

		RUTGERS THE STATE UNIV RBHS	273,100	273,100
Sub-Total			**1,063,200**	**1,063,200**
SCHS- Child Evaluation	733,435			
		THE COMMUNITY HOSPITAL GROUP J	78,000	78,000
		CHILDRENS HOSPITAL OF PHILA	91,000	91,000
		ST. JOSEPHS REGIONAL MEDICAL C	84,000	84,000
		CHILDRENS SPECIALIZED HOSPITAL	133,760	133,760
		THE COOPER HEALTH SYSTEM	78,000	78,000
		RUTGERS THE STATE UNIV RBHS	103,000	103,000
		MERIDIAN HEALTH	37,000	37,000
		JERSEY CITY MEDICAL CENTER	93,300	93,300
		AHS HOSPITAL CORP	31,000	31,000
Sub-Total			**729,060**	**729,060**
Renal	507,630			
		TRANS ATLANTIC RENAL COUNCIL	480,570	507,630
Sub-Total			**480,570**	**507,630**
Cystic Fibrosis	370,000			
		NJ ORGANIZATION OF CYSITIC FIBROSIS	370,439	370,000
Sub-Total			**370,439**	**370,000**
Birth Defects	35,000			
		RUTGERS THE STATE UNIV RBHS	1,895	1,895
		ST. PETERS UNIVERSITY HOSPITAL	33,105	33,105
Sub-Total			**35,000**	**35,000**
Newborn Screening	293,550			
		CHILDRENS HOSPITAL OF PHILA	22,550	22,550
		THE COOPER HEALTH SYSTEM	64,000	64,000
		HACKENSACK UNIVERSITY MEDICAL	39,579	39,579
		NEWARK BETH ISRAEL MEDICAL CEN	12,000	12,000
		RUTGERS THE STATE UNIV RBHS	8,451	8,451
		RUTGERS THE STATE UNIV RBHS	16,150	16,150
		RUTGERS THE STATE UNIV RBHS	67,700	67,700
		ST. JOSEPHS REGIONAL MEDICAL C	35,117	35,117

Discussion Points (Cont'd)

		ST. PETERS UNIVERSITY HOSPITAL	30,000	30,000
Sub-Total			**295,547**	**295,547**
	41,790			
Maternal Child Health Services(MCH)-Ped Tertiary		MONMOUTH MEDICAL CTR	8,000	8,000
		THE COOPER HEALTH SYSTEM	12,000	12,000
		SAINT BARNABAS MEDICAL CENTER	10,000	10,000
		ST. JOSEPHS REGIONAL MEDICAL C	790	790
		ST. PETERS UNIVERSITY HOSPITAL	11,000	11,000
Sub-Total			**41,790**	**41,790**
MCH-Case Management	1,156,360			
		AHS HOSPITAL CORP	34,300	34,300
		ATLANTIC CO	40,000	40,000
		BERGEN CO	48,450	53,950
		BURLINGTON CO	57,685	57,685
		CAMDEN CO COURT HOUSE	151,707	158,207
		CAPE MAY CO DEPT OF HEALTH	4,485	4,485
		CATHOLIC FAMILY AND COMMUNITY	109,533	109,533
		CHILDRENS SPECIALIZED HOSPITAL	14,532	14,532
		CUMBERLAND CO	40,600	40,600
		ESSEX CO	85,000	85,000
		GLOUCESTER CO	109,600	109,600
		HUNTERDON MEDICAL CENTER	5,323	5,323
		JERSEY CITY MEDICAL CENTER	37,300	37,300
		MERCER CO SPECIAL SERVICES	61,100	67,600
		MIDDLESEX CO	96,959	103,459
		OCEAN COUNTY BOARD OF	43,000	43,000
		SALEM CO	4,195	4,195
		SOMERSET CRIPPLED	26,676	26,676
		STATEWIDE PARENT ADVOCACY	35,415	35,415
		SUSSEX CO	21,100	21,100
		VISITING NURSE ASSOCIATION OF	106,100	106,100
		WARREN CO	23,300	23,300

Discussion Points (Cont'd)

		NJAAP	-	50,000
Sub-Total			**1,156,360**	**1,231,360**
MCH-Child Evaluation	846,680			
		THE COMMUNITY HOSPITAL GROUP J	2,000	2,000
		CHILDRENS HOSPITAL OF PHILA	87,632	87,000
		ST. JOSEPHS REGIONAL MEDICAL C	51,300	44,300
		CHILDRENS SPECIALIZED HOSPITAL	151,700	151,700
		THE COOPER HEALTH SYSTEM	80,727	79,500
		RUTGERS THE STATE UNIV RBHS	153,752	151,000
		MERIDIAN HEALTH	156,180	156,180
		JERSEY CITY MEDICAL CENTER	98,164	131,000
		AHS HOSPITAL CORP	45,913	44,000
Sub-Total			**827,368**	**846,680**
MCH-Lead Poisoning	1,194,620			
		CAMDEN CO COURT HOUSE	-	17,775
		CUMBERLAND CO TREAS	85,202	63,595
		EAST ORANGE CITY	51,469	85,715
		IRVINGTON TREASURER	55,000	90,060
		CITY OF JERSEY CITY	36,395	131,535
		MONMOUTH CO TREASURER	67,000	49,375
		PASSAIC CITY HEALTH DPT	109,378	52,535
		SOUTHERN NEW JERSEY	57,326	65,175
		NEWARK CITY	173,061	144,965
		PATERSON CITY	134,054	66,810
		THE PARTNERSHIP FOR MATERNAL &	52,600	73,075
		JFK HEALTH SYSTEMS INC	94,000	65,119
		TRENTON CITY	145,551	118,105
		OCEAN COUNTY BOARD OF	-	13,362
		HUDSON	-	10,515
		MIDDLESEX CO TREASURER	130,000	52,930
		NEW JERSEY CHAPTER AMERICAN AC	-	39,300
		ISLES	-	39,300

Discussion Points (Cont'd)

		TBD - FY 18	-	15,374
Sub-Total			**1,191,036**	**1,194,620**
MCH-Outreach/Education	709,000			
		THE CHILDRENS HOME SOCIETY OF OCEAN	50,870	50,870
		ZUFALL HEALTH CENTER INC	150,000	150,000
		PARTNERSHIP MCH NNJ CHW (Hudson)	403,000	403,000
		CENTRAL JERSEY FAMILY HEALTH	104,000	104,000
Sub-Total			**707,870**	**707,870**
MCH-Health Corp School	225,000			
		HEALTHCORPS	225,000	225,000
Sub-Total			**225,000**	**225,000**
MCH-Fetal Alcohol	419,000			
		CENTRAL JERSEY FAMILY HEALTH	100,000	100,000
		FAMILY HEALTH INITIATIVES	75,000	75,000
		SOUTHERN NEW JERSEY	94,000	94,000
		THE PARTNERSHIP FOR MATERNAL &	150,000	150,000
Sub-Total			**419,000**	**419,000**
MCH-Oral Health	214,000			
		SOUTHERN JERSEY FAMILY MEDICAL	100,000	100,000
		ZUFALL HEALTH CENTER INC	114,000	114,000
Sub-Total			**214,000**	**214,000**
	592,000			
MCH -Improving Pregnancy Outcome		THE CHILDRENS HOME SOCIETY OF OCEAN	99,130	99,130
		SOUTH NJPERINATAL COOP (CAM)	2,000	2,000
		CENTRAL JERSEY FAMILY HEALTH C	196,000	196,000
		SOUTHERN JERSEY FAMILY MEDICAL	300,000	300,000
Sub-Total			**597,130**	**597,130**
Lead Poison Prevention	985,000			
		CAMDEN CO COURT HOUSE	65,000	14,625
		CUMBERLAND CO TREAS	93,443	52,325
		EAST ORANGE CITY	127,176	70,525
		IRVINGTON TREASURER	99,954	74,100

Discussion Points (Cont'd)

		CITY OF JERSEY CITY	65,000	108,225
		MONMOUTH CO TREASURER	115,000	40,625
		PASSAIC CITY HEALTH DPT	20,622	43,225
		SOUTHERN NEW JERSEY	86,174	53,625
		NEWARK CITY	60,220	119,275
		PATERSON CITY	56,596	55,250
		THE PARTNERSHIP FOR MATERNAL &	132,400	60,125
		JFK HEALTH SYSTEMS INC	61,000	55,483
		TRENTON CITY	-	97,175
		OCEAN COUNTY BOARD OF	-	11,050
		HUDSON	-	8,652
		MIDDLESEX CO TREASURER	-	43,550
		NEW JERSEY CHAPTER AMERICAN AC	-	32,500
		ISLES	-	32,500
		TBD - FY 18	-	12,165
Sub-Total			**982,585**	**985,000**
Cleft Palate	690,000			
		MONMOUTH MEDICAL CTR	78,200	78,200
		THE COOPER HEALTH SYSTEM	177,800	177,800
		SAINT BARNABAS MEDICAL CENTER	93,400	93,400
		ST. JOSEPHS REGIONAL MEDICAL C	197,830	197,830
		ST. PETERS UNIVERSITY HOSPITAL	142,300	142,300
Sub-Total			**689,530**	**689,530**
Tourette's Syndrome	400,000			
		NEW JERSEY CENTER FOR TOURETTE	400,000	400,000
Sub-Total			**400,000**	**400,000**
Cancer Screening Detection & Edu.	5,700,000			
		AHS HOSPITAL CORP	221,455	**TBD**
		BERGEN CO	427,354	**TBD**
		CAPE MAY CO MENT HLTH	112,467	**TBD**
		COMMUNITY MEDICAL CENTER	210,350	**TBD**
		HOBOKEN FAMILY PLAN INC	905,746	**TBD**

Discussion Points (Cont'd)

		HUNTERDON MEDICAL CENTER	99,802	**TBD**
		INSPIRA MEDICAL CENTER	120,457	**TBD**
		INSPIRA MEDICAL CENTERS	146,998	**TBD**
		MIDDLESEX CO	434,002	**TBD**
		NORTHWEST NJ COMMUNITY ACTION	112,384	**TBD**
		PRIME HEALTHCARE SERVICES - SA	339,792	**TBD**
		RUTGERS	324,113	**TBD**
		SHILOH COMMUNITY DEVELOPMENT	217,675	**TBD**
		SHORE MEMORIAL HOSPITAL	225,516	**TBD**
		ST. JOSEPHS REGIONAL MEDICAL C	487,599	**TBD**
		SUSSEX CO	121,564	**TBD**
		THE COOPER HEALTH SYSTEM	354,936	**TBD**
		VIRTUA HEALTH	248,272	**TBD**
		VISITING NURSE ASSOCIATION OF	329,924	**TBD**
		ZUFALL HEALTH CENTER INC	209,462	**TBD**
		TBD - FY 18		5,700,000
Sub-Total			**5,649,868**	**5,700,000**
SIDS Assistance	221,000			
		RWJ Medical School SIDS	221,000	221,000
Sub-Total			**221,000**	**221,000**
Huntington's	310,000			
		ROWAN UNIVERSITY	310,368	310,000
Sub-Total			**310,368**	**310,000**
Post Partum Screening	1,900,000			
		MERCER CO	40,000	40,000
		CENTER FOR FAMILY SERVICES	245,500	245,500
		RUTGERS THE STATE UNIV RBHS	210,000	210,000
		PARTNERSHIP MCHNNJ(Gateway)	524,000	524,000
		SOUTH NJ PERINATAL COOP (Cam)	353,500	353,500
		CENTRAL JERSEY FAMILY HEALTH C	471,300	471,300
		TBD - FY 18	-	55,700
Sub-Total			**1,844,300**	**1,900,000**

Discussion Points (Cont'd)

NJ Council on Physical Fitness	50,000			
		FAMILY HEALTH INITIATIVES	50,000	50,000
Sub-Total			**50,000**	**50,000**
Infant Mortality	2,000,000			
		CUMBERLAND CO	300,000	300,000
		VNA CENTRAL JERSEY(Monmouth)	300,000	300,000
		RUTGERS THE STATE UNIV RBHS	29,000	29,000
		PARTNERSHIP MCH NNJ CHW (Hudson)	300,000	300,000
		SOUTH NJ PERINATAL COOP (Cam)	388,000	388,000
		CHILDRENS FUTURES INC.	370,000	370,000
		SOUTHERN JERSEY FAMILY MEDICAL	300,000	300,000
		TBD - FY 18	-	13,000
Sub-Total			**1,987,000**	**2,000,000**
Tuberculosis Services (EPI)	2,150,000			
		BERGEN CO	272,472	272,472
		CAMDEN CO COURT HOUSE	107,603	107,603
		HUDSON CO	302,780	302,780
		MIDDLESEX CO TREASURER	219,121	219,121
		PATERSON CITY	208,700	208,700
		RUTGERS THE STATE UNIV RBHS	682,720	682,720
		SOMERSET CO	72,086	72,086
		THE COOPER HEALTH SYSTEM	284,518	284,518
Sub-Total			**2,150,000**	**2,150,000**
Immunization Services	525,000			
		LAKEWOOD RESOURCE AND REFERRAL	50,000	-
		NEWARK CITY	228,156	-
		THE PARTNERSHIP FOR MATERNAL &	58,780	-
		NJ AMERICAN FAMILY OF PEDS	61,469	-
		CAMDEN CO COURT HOUSE	**124,475**	**125,000**
		TBD FY18 GRANTEES	-	400,000
Sub-Total			**522,880**	**525,000**
MCH - Lead Services	10,000,000			

Discussion Points (Cont'd)

TBD FY18 GRANTEES	-	10,000,000

b. How much FY 2016 MCCH funding was lapsed from each grantee?

For FY 2016, MCCH grantees returned 2% ($573,836) of funding.

c. Does the department anticipate any lapsed funds in FY 2017? If yes, please provide the estimate for the lapse by program and grantee.

At this time, the Department does not anticipate any lapsed funds for FY 2017.

d. Please provide the anticipated amount of administrative funding contained within the MCCH line in FY 2017 and FY 2018.

The anticipated amount of administrative funding contained within the MCCH line in FY 2017 and FY 2018 is between 4%-6% of the appropriation.

e. Please detail the positions, salaries, and other administrative expenditures that are anticipated to be charged to the MCCH line in FY 2017 and FY 2018.

The positions, salaries, and other administrative expenditures that are anticipated to be charged to the MCCH line in FY 2017 and FY 2018 are being developed.

f. For what purposes is the recommended $10 million MCCH appropriation increase intended?

The recommended $10 million MCCH appropriation increase will support increased blood lead testing, case management, environmental inspections, and clinical interventions.

Tobacco Prevention and Cessation Programs

6. In New Jersey, 17.3 percent (1,183,000) of adults (aged 18+ years) are current cigarette smokers. New Jersey ranks third among all states for the prevalence of cigarette smoking among adults. Among youth aged 12 to 18 years, 14.3 percent smoke in New Jersey. According to the department's website, "a major goal of the DOH is to decrease deaths, sickness and disability among New Jersey residents who use tobacco or are exposed to environmental tobacco smoke. The department's Comprehensive Tobacco Control Program and its partners implement comprehensive programs to prevent the initiation of tobacco use among young people, to help tobacco users quit, to eliminate nonsmokers' exposure to secondhand smoke, and to reduce tobacco-related disparities. These programs include free quitting services, school- and community-based prevention programs and education regarding the New Jersey Smoke-Free Air Act."[2]

[2] http://www.nj.gov/health/chs/hnj2020/health/tobacco/index.shtml

Discussion Points (Cont'd)

However, since FY 2012, there has been no line in the department's budget explicitly dedicated to anti-smoking programs and the only funding clearly intended for tobacco programs in FY 2017 were:

- $1.4 million in federal funds received for Tobacco Age of Sale enforcement (estimated);
- $431,000 in federal funds received for the NJ QUITline (estimated); and
- $431,000 in anticipated revenue from Retail Tobacco Licenses used for Vendor compliance programs.

- **Questions:**

a. How much did the State spend annually on tobacco prevention and cessation programs from FY 2012 through FY 2016, and how much does the State anticipate spending thereon in FY 2017 and FY 2018?

Actual and Projected Tobacco Prevention and Cessation Programs ($ in thousands)

Department	FY12	FY13	FY14	FY15	FY16	Proj. FY17	Proj. FY18
Health	2,800	3,000	3,100	3,500	3,300	4,000	4,000
Education, Interdepartmental, and Treasury*	972	983	1,088	1,212	1,459	1,605	1,766
Human Services**	2,238	2,091	2,230	3,868	4,634	3,694	5,006
Total	6,010	6,074	6,418	8,580	9,393	9,299	10,772

* Information is for calendar year.

**Medicaid data is by service date.

b. Please detail the programs these funds have supported or are recommended to support and where the funding can be located in the Governor's FY 2018 Budget Recommendation.

Department of Health

New Jersey has the third lowest adult smoking prevalence in the nation and is well below the national average: 13.5% vs. 17.5%, according to the 2015 Behavioral Risk Factor Survey. New Jersey's youth smoking rate has been declining for a decade and is down to 8.2%, according to the 2014 New Jersey Youth Tobacco Survey. New Jersey's tobacco and nicotine prevention and cessation efforts are directed at all delivery mechanisms—smoking, chewing, e-delivery and vaping.

- The Maternal Child and Chronic Health Services account funds an annual grant to combat tobacco-related addiction services. (D-150, State funds)
- New Jersey Quitline provides phone counseling services and Nicotine Replacement Therapy. (C-19, federal funds)
- The Tobacco Age of Sale (TASE) conducts inspections assessing retailer's compliance with the age of sale requirements for tobacco and nicotine. It also conducts advertising/labelling inspections. (C-19, federal funds)

Discussion Points (Cont'd)

- The Chronic Disease Prevention and Health Promotion Program reduces secondhand smoke exposure (outdoor ordinances), promotes the use of the New Jersey Quitline, provides public education and research on emerging tobacco products. (C-18, federal funds)
- The Preventive Health Services Block Grant funds the tobacco cessation program for pregnant women and new parents. (C-19, federal funds)
- The Youth Anti-Smoking Program is designed to reduce youth smoking and enforce compliance with state tobacco age of sale laws. (C-12, State fund)
- Global Advisors on Smoke-Free Policy (GASP) addresses disparities in smoking rates among minority and multicultural populations. (D-159, State funds)

Department of Education, Interdepartmental, and Treasury

- The actual and projected State prescription drug costs for smoking cessation drugs for active and retired members are budgeted in Education, Interdepartmental, and Treasury.

Department of Human Services

- The actual and projected State and federal costs for all medication and individual counseling therapies to treat tobacco use disorder for those enrolled in NJ FamilyCare are budgeted within various line items in the Division of Medical Assistance and Health Services. The amounts in the chart above represent gross payments. Due to expansion of Medicaid on January 1, 2014, the aggregate federal share has increased from approximately 50% in FY12-14 to 61% in FY16.

c. Please clarify the source of this funding: State, federal or dedicated other funds.

Please refer to answers provided on Section B of this question for this information.

d. Do any of the currently funded programs focus on e-cigarettes, vaping, or smokeless tobacco?

Please refer to answers provided on Section B of this question for this information.

Adoption Records

7. In November 1940, legislation was enacted that required adopted children's original birth certificates to be sealed and such record could only be accessed pursuant to a court order. P.L.2014, c.9 amended this vital records law to allow an adult adoptee, whose original birth certificate was placed in a sealed file, to obtain a non-certified copy of that original birth certificate, upon request beginning in January 2017. Prior to December 31, 2016, the law established a system to allow birth parents to modify the records to redact their names and information from the birth certificate, and if they chose, to provide contact information either directly or through an intermediary.

- **Questions:**
  - **a. How many requests has the State received from adult adoptees for copies of original birth certificates pursuant to P.L.2014, c.9?**

    As of March 31, 2017, the Department has received 2,939 requests from adult adoptees for copies of their original birth certificates pursuant to P.L.2014, c.9.

  - **b. Prior to December 31, 2016, how many requests to redact information did the State receive from birth parents and how many birth parents contacted the department regarding their preferences for being or not being contacted by adult adoptees?**

Discussion Points (Cont'd)

Prior to the December 31, 2016 deadline, the Department received 558 requests for redaction of names or information and 374 requests for contact preferences.

c. What has been the cost to the State to fulfill these requests? Has the State had to hire additional personnel?

The cost to the Department to fulfill these requests is approximately $650,000. The Department had to hire a combination of additional full-time and temporary personnel.

Needle Exchange Programs

8. Currently, there are five needle exchange programs in the State which operate as part of larger harm reduction programs: Syringe Access Program Atlantic City; HARM Reduction Syringe Access Program in Camden; Project X-Change Works in Jersey City; North Jersey Community Research Initiative in Newark; and the Point of Home Syringe Access Program in Paterson. These needle exchange programs were initially authorized through a demonstration program as part of the "Bloodborne Disease Harm Reduction Act," P.L.2006, c.99 (C.26:5C-25 et seq.). P.L.2016, c.36 made these programs permanent and authorized any municipality in the State to operate a needle exchange program.

In FY 2017, each of the larger harm reduction programs will receive $30,000 in federal Centers for Disease Control funding to support counseling, outreach, education, and coordination of harm reduction programs. The harm reduction programs provide outreach and counseling to drug users who may be at high risk of re-using syringes which could transmit disease. This funding is consistent with the funding the programs received in the previous fiscal year.

Beginning with the Health Omnibus Programs Extension of 1988, all federal funding included a stipulation that the funding could not be used for needle exchange programs.[3] However, the Consolidated Appropriations Act of 2016 included new language in Division H, Sec. 520 which still prohibits the purchase of syringes, but gives states and local communities, under limited circumstances, the opportunity to use federal funds to support the distribution and exchange of syringes, and to administer the needle exchange program.

- **Questions:**

a. Has the department applied for additional federal funding to support expanded activities of the harm reduction programs, as provided for in the Consolidated Appropriations Act of 2016? Has the department been approved for additional federal funding?

Due to available federal funding, the Department applied and received approval from CDC to redirect federal funding.

b. Did the department provide any additional funding to the harm reduction programs to support the purchase of syringes in FY 2017?

[3] This ban was briefly lifted by a provision in the federal Consolidated Appropriations Act of 2010 which permitted federal funding to be used for needle exchange programs. The five New Jersey programs received a total, one-time appropriation of $600,000 from federal CDC funding in the 2010 federal fiscal year. The one-time appropriation permitted the programs to purchase needles. However, language included in the Consolidated Appropriations Act of 2011 reinstated the prohibition on federal money being spent on syringes and needle exchange programs and was included in each such act until the most recent Consolidated Appropriations Act of 2016.

Discussion Points (Cont'd)

The Department provided additional funding to the harm reduction programs to support the purchase of syringes and needles in FY 2017.

c. Does the department anticipate providing additional funding to the harm reduction programs in FY 2018?

The Department anticipates providing additional funding to the harm reduction programs in FY 2018.

d. Has the department received any additional applications for needle exchange programs subsequent to the enactment of P.L.2016, c.36? If so, what is the status of the applications?

The Department received two additional applications for needle exchange programs subsequent to the enactment of P.L.2016, c.36. Both applicants received municipal approval regarding their respective locations. The applications are now currently under review.

Early Intervention Program

9. The Department of Health administers the Early Intervention Program (EIP) for infants and toddlers under age three who have developmental disabilities. In FY 2017, EIP is funded through State funds ($104.6 million), federal funds through the Infants and Toddlers with Disabilities Program, Part C of the Individuals with Disabilities Education Act ($64.0 million), and family contributions for children who are medically eligible, but whose families' incomes are above 350 percent of federal poverty levels ($7.2 million). Language in the FY 2017 Appropriations Act appropriated $4.0 million from the Autism Medical Research and Treatment Fund to the EIP.

According to the department's response to OLS Discussion Points in the FY 2016 budget process, the DOH contracts with 13 provider agencies to meet the federal service coordination requirements and 64 EIP provider agencies to conduct developmental evaluations/assessments and deliver direct services to children. Additionally the DOH contracts with Computer Services Corporation for information technology, billing, and collection services. Some other functions are performed directly by the department.

According to the Department of Health website,[4] the EIP is not currently accepting new providers into the program. In January 2017, the State Interagency Coordinating Council (SICC), Service Delivery Committee made recommendations for competency standards for EIP providers.[5] The committee recommended that the State should use these competency standards as a basis for a competitive Request for Application (RFA) process for identifying future EIP provider agencies.

- **Questions:**

a. Were the funds transferred from the Autism Medical Research and Treatment Fund used specifically for services for children diagnosed on the autism spectrum? If not, for what specific purposes were these funds used?

The funds transferred will be used for children diagnosed on the autism spectrum.

[4] http://nj.gov/health/fhs/eis/newenrollment.shtml
[5] http://nj.gov/health/fhs/eis/documents/provider_competency_standards.pdf

Discussion Points (Cont'd)

b. How does the DOH rate the performance of Computer Services Corporation as the information technology, billing, and collection services contractor for the EIP? Does the DOH have any plans to solicit a new contractor for information technology, billing, and collection services? If yes, what is the timeline for awarding a new contract?

Computer Science Corporation has performed in accordance with the terms of the contract. The Department worked with Treasury and solicited a rebid of the NJEIS Central Management Office System in May 2015. A new vendor was awarded the contract effective January 1, 2017 and will implement the new system in 2017.

c. What is the DOH's timeline to solicit RFAs for future EIP provider agencies?

The Service Delivery Committee of the State Interagency Coordinating Council is expected to have recommendations completed for an RFA in 2017. The Department anticipates issuing a competitive RFA in 2018.

d. Does the DOH plan any changes in the rate charged for family contributions? If yes, please provide specifics as to any increases or decreases.

There is no plan to increase the rate charged for family cost participation.

Statewide Trauma Registry

10. Legislative budget resolutions included a $750,000 appropriation in each of the FY 2015, FY 2016, and FY 2017 Appropriations Acts to establish a Statewide registry of hospitalizations for traumatic injury as required by P.L.2013, c.223 (FY 2017 Appropriations Handbook, page B-75). The FY 2018 Budget Recommendation continues neither the appropriation nor a related language provision authorizing the use of unexpended balances in the Statewide Trauma Registry account for the establishment of the registry.

P.L.2013, c.223 was intended to establish a Statewide "trauma system that defines the roles of all health care facilities in the State, taking into account their resources and capabilities, allowing for the provision of care to injured patients in the State along the continuum of care." The Department of Health is the lead agency for this initiative and was directed to "appoint a State Trauma Medical Director to oversee the planning, development, ongoing maintenance, and enhancement of the formal State trauma system."

In response to the FY 2017 OLS Discussion Points, the department stated that a State Trauma Medical Director was hired on July 31, 2015, the Statewide Trauma Registry would be implemented in FY 2017 and the remaining $1.4 million held in the account would be used for establishing the registry. As of March 20, 2017, of the $2.25 million that was available for the Statewide Trauma Registry approximately $70,000 has been spent, $1.46 million committed to be expended on services to be provided by Rowan University, and $727,632 remained uncommitted in the account.

- **Questions:**

a. Does the State currently employ a State Trauma Medical Director? Did the person who was hired on July 31, 2015 ever fill that position? If the State does not currently have a State Trauma Medical Director, what factors account for the delay and when does the department expect to appoint a State Trauma Medical Director?

The State currently employs a State Trauma Medical Director, who was hired on July 31, 2015.

Discussion Points (Cont'd)

b. Is the Statewide trauma registry operational, and if not, what factors account for the delay, and when is the registry expected to become operational? What responsibilities does Rowan University have as a contractor for the registry?

The Statewide trauma registry is being implemented. Rowan University will train data contributors, compile the data, validate the data, analyze the data, and maintain the registry.

c. What is the anticipated annual budget to operate the Statewide trauma registry and the one-time cost to establish a formal State trauma system?

The anticipated one-time cost to establish the registry is estimated at $1.5 million. The annual operating budget and maintenance costs for the registry have not been determined at this time.

d. How much of the current funding will be lapsed into the State General Fund at the conclusion of FY 2017?

The Department does not anticipate any lapse.

Reach NJ

11. In January 2017, the State initiated a television and radio advertising campaign promoting a newly established drug addiction hotline and website, known as the Reach NJ campaign. Two separate contracts have been awarded to conduct the advertising campaign.

POLITICO New Jersey reported that the initial campaign was developed by Princeton Partners, Inc. and cost $2.6 million.[6] When The Record and NorthJersey.com requested through the Open Public Records Act a copy of the contract the State is using to fund the initial Reach NJ campaign contract, the Governor's Office provided a copy of a contract that is designated for an advertising campaign for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). The Governor's Office later clarified that the WIC contract was a vehicle for awarding the REACH NJ contract, but did not clarify which account was funding the REACH NJ campaign.[7]

Subsequently, POLITICO New Jersey reported that a larger, $15 million REACH NJ advertising campaign contract was awarded to Kivvit, a public affairs firm.[8] The award was made in response to a request for quotation (RFQ) issued on behalf of the Department of Health on February 1, 2017. The RFQ sought quotes to create, design, write, produce, budget and administer results of an advertising initiative to promote public awareness of opioid addiction. The campaign was to begin on February 21, 2017 with an end date of approximately June 30, 2017. According to the Governor's Office, the funding will come from a transfer of existing appropriations from the FY 2017 DOH budget that are geared toward promoting awareness programs for public health and safety.

- **Questions:**
  - **a. Has any of the funding for the Reach NJ campaign come from appropriations intended for the WIC advertising campaign? If so, what was the amount of the funding for the Reach NJ campaign that was transferred from the WIC advertising campaign?**

[6] http://www.politico.com/states/new-jersey/story/2017/02/christies-addiction-ad-campaign-currently- budgeted-at-26m-109852

[7] http://www.northjersey.com/story/news/new-jersey/2017/03/06/questions-linger-funding-christie-reach-nj-ads-marketing-set-expand/98660002/

[8] http://www.politico.com/states/new-jersey/story/2017/03/kivvit-awarded-15m-contract-for-christies-opioid-ad-campaign-110480?jumpEdition

Discussion Points (Cont'd)

No funding for the ReachNJ campaign came from WIC funds.

b. What is the total anticipated amount of funding for the Reach NJ campaign in FY 2017 and FY 2018?

The total anticipated expenses and costs for the ReachNJ campaign in FY 2017 and FY 2018 are not to exceed $20 million.

c. Please identify the budget lines that are the anticipated sources of funding for the Reach NJ campaign in FY 2017 and FY 2018.

The Department's understanding from OMB is that the source of funding is FY 2017 refunding savings.

d. What is the total anticipated amount of funding for the WIC advertising campaign in FY 2017 and FY 2018?

There is no anticipated WIC advertising campaign in FY 2017 and FY 2018 and therefore no funding appropriated.

e. Since inception, how many calls has the ReachNJ hotline received and answered and how many clicks has the REACHNJ.GOV webpage registered?

Since launching ReachNJ on January 10, the Hotline has responded to 5,973 calls through April 12. There have been 15,243 clicks on the ReachNJ.gov webpage in the same time period.

f. What are the anticipated FY 2017 and FY 2018 expenditures for operating the Reach NJ phone hotline and webpage? What spending line(s) in the FY 2018 Budget Recommendation include these expenditures?

The anticipated FY 2017 and FY 2018 expenditures for operating the ReachNJ phone hotline and webpage are between $200,000 to $300,000. The budget line is included within the Department of Human Services Community Based Substance Use Disorder Treatment and Prevention Program.

Newborn Screening Program

12. On August 1, 2016, the DOH proposed amendments to N.J.A.C.8:45-2.1 that would increase the fee charged by the department's Newborn Screening Laboratory for a newborn screening test from $90 per test to $150 per test, a $60 increase (48 N.J.R. 1485(a)).

In its rule proposal the department justified the increase with an eight-count rise in the number of conditions for which it is required to test since 2012. The department asserted that it needed to acquire new laboratory equipment; purchase additional reagents and supplies; upgrade the computer system, including the web-based results reporting; and expand the services provided by the follow-up program.

The Governor's FY 2018 Budget Recommendation anticipates an additional $6.0 million in dedicated revenue from the fee increase, which is shown in the Division of Public Health and Environmental Laboratories' off-budget revolving fund with the Personal Services appropriation recommended to increase by $6.2 million (page G-3). At the same time, the Governor's Budget

Discussion Points (Cont'd)

proposal reduces the division's recommended on-budget appropriation by a corresponding $6.0 million (page D-149) with $5.0 million of the reduction allocated to the Salaries and Wages budget line and $1.0 million to the Maintenance and Fixed Charges budget line. The division's recommended $28.1 million FY 2018 spending authority from all sources combined reflects a decrease of $12,000 from the FY 2017 adjusted appropriation.

Under the Newborn Screening Program the Newborn Screening Laboratory tests all newborn children in the State for the presence of 63 biochemical and genetic disorders within 48 hours after birth. The department is authorized to establish and charge reasonable fees for this testing with fee collections dedicated to the testing and follow-up services. Although the fee is initially charged to hospitals, it is typically shifted to third-party insurance providers.

- **Questions:**
  - **a. Please detail the purchases and supports that will be newly provided to the Newborn Screening Laboratory with increased laboratory fee collections in FY 2018. In which budget lines are the additional expenditures located?**

    The increased Program fees collected by the Department will be used for the disorder panel expansion efforts and newborn screening follow-up services, including:

    - Additional reagents and supplies for laboratory analyses;
    - Upgrading the Newborn Screening Program's computer system;
    - Replacement of obsolete instrumentation;
    - New laboratory equipment required for additional conditions;
    - Increased staffing to conduct laboratory testing and follow-up;
    - Confirmatory laboratory testing;
    - Case management by Newborn Screening and Genetic Services Program;
    - Linking affected children and their families to providers and specialty care centers.

    The budget lines are located under Laboratory Services.

Health Planning and Evaluation

Dementia Care Homes

13. P.L.2015, c.125 (C.55:13B-5.1 et al.) transferred responsibility for the oversight of rooming or boarding houses for persons with dementia from the Department of Community Affairs (DCA) to the Department of Health (DOH), which is to license these facilities as dementia care homes.

DOH is empowered to exercise such authority with respect to a dementia care home as is granted with respect to any other DOH licensed health care facility. However, section 22 of P.L.2015 c.125 (C.26:2H-153) permits the Commissioner of Health to issue a temporary or permanent waiver to dementia care homes which are operating and licensed by DCA on the effective date of the act (June 1, 2016). The temporary regulations do not appear to establish a system to permanently license new dementia care homes, but rather the regulations provide for provisional licenses or allow the DOH to waive the license requirements temporarily. N.J.A.C.8:37-2.1 provides that the DOH can issue one-year provisional licenses to each dementia care home that holds a valid license from DCA, but does not establish a fee for this license. N.J.A.C.8:37.2.3 provides that the DOH may waive some or all of DOH licensing standards for a DCA dementia care home licensee for longer than one year provided that the waiver would not endanger the life, safety, or health of residents or the public and the failure to grant the waver would pose a serious financial hardship to the licensee.

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Additionally, section 26 of the act (C.26:2H-157) provided that the DOH could enact regulations immediately upon filing the regulations with the Office of Administrative Law. These regulations would only be effective for 12 months from the law's effective date, ending June 1, 2017. After that time, the department would need to adopt regulations with the typical public comment period provided for in the Administrative Procedure Act. This provision was intended to allow the DOH to act quickly to start licensing dementia care homes. The DOH adopted the temporary regulations on February 6, 2017, with an expiration date of May 31, 2017.

- **Questions:**

a. How many dementia care homes have registered with the DOH as of this date?

The Department has provisionally licensed 28 dementia care homes as of this date.

b. How many boarding homes have requested a one-year provisional license pursuant to N.J.A.C.8:37.2.1? How many have been approved?

The Department has provisionally licensed 28 dementia care homes as of this date.

c. How many boarding homes have requested a waiver of some or all DOH dementia care home licensing standards pursuant to N.J.A.C.8:37.2.3? How many have been approved?

Fourteen dementia care homes jointly submitted a request on March 15, 2017 for waivers/clarification of some of the Department's licensing regulations for dementia care homes. The joint request is currently under review.

d. When does the DOH anticipate issuing regulations pursuant to the Administrative Procedure Act?

The Department anticipates proposing regulations pursuant to the Administrative Procedure Act on or before May 31, 2017.

e. What licensing fee structure does the department anticipate adopting for dementia care homes?

The Department anticipates adopting a licensing fee structure similar to that of like health care facilities.

Telemedicine

14. Telemedicine is the remote delivery of health care services and clinical information using telecommunications technology. This includes a wide array of clinical services using internet, wireless, satellite and telephone media. Currently, thirty states and the District of Columbia require that private insurers cover telehealth services the same as in-person services. Many other insurers cover at least some telehealth service.[9]

New Jersey does not currently have any law or regulation explicitly allowing telemedicine; however, there are currently several legislative proposals which would require private and public health insurance carriers to cover telemedicine and establish systems to allow out-of-state health care

[9] http://www.americantelemed.org/main/about/about-telemedicine/telemedicine-faqs

Discussion Points (Cont'd)

practitioners to be licensed to provide care to individuals in New Jersey.[10] Additionally, although there is no law explicitly allowing telemedicine, there are currently several different initiatives in the State that are implementing telehealth in a variety of ways. For example, Medicaid has allowed for the reimbursement of tele-psychiatry charges under limited circumstances.[11] Additionally, the Virtua Hospital system has implemented a telemedicine pilot program that links specialists with patients at Virtua and provides follow-up care and support to patients after discharge.

- **Questions:**
  a. **As telemedicine becomes more prevalent, how does the DOH see its role in the licensing and oversight of facilities which participate in telemedicine?**

     The Department is monitoring the evolution of telemedicine in the State and will continue to do so to inform the licensing and oversight of facilities.

  b. **In what groups is the DOH currently participating that are exploring telemedicine?**

     The Department has developed RFAs and awarded telemedicine grants to assess the impact on access and health outcomes. The Department continues to participate in national, regional, and state groups that are exploring telemedicine, including: Association of State and Territorial Health Officials; Mid-Atlantic Telehealth Resource Center; and New Jersey Health Care Quality Institute.

  c. **How will the increase in health care providers and facilities offering telemedicine services affect State revenues and expenditures through the licensing and regulation of these facilities and providers?**

     At this time, it is unclear to what extent an increase in telemedicine services will impact State revenues and expenditures.

Charity Care

15. Acute care hospitals are required by State law to provide all necessary care to patients regardless of ability to pay, pursuant to P.L.1992, c.160 (C.26:2H-18.52 et al.). Charity Care is free or reduced charge care that is provided to uninsured patients who receive their inpatient and outpatient services at acute care hospitals throughout the State. To offset the costs to hospitals of uncompensated care delivered to low-income uninsured patients, the State provides subsidies through the New Jersey Hospital Care Payment Assistance Program (Charity Care Program). The source of funding for hospital care payment assistance is the Health Care Subsidy Fund (HCSF) administered under P.L.1997, c.263. The FY 2018 Budget Recommendation includes expenditures of $252 million from the HCSF for Charity Care, a $50 million reduction from amounts authorized in FY 2017 (page H-12).

The reduction is attributed by the Executive to "a dramatic increase in NJ FamilyCare enrollment …. The associated decrease in uninsured residents has reduced by more than half the documented claims for uncompensated care submitted by New Jersey's hospitals" (pages 18-19 of the FY 2018 Budget Summary). The continued downward trend in the costs associated with individuals who do not have alternative forms of health insurance is due to two elements of the Affordable Care Act: the health insurance purchase mandate imposed on individuals in conjunction with federal

[10] Senate Committee Substitute for S-291/S-652/S-1954, A-1457, A-1464, A-2668, and A-4529
[11] DHS, DMAHS Newsletter, Volume 23, No. 21, December 2013 https://www.njmmis.com/document

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premium tax credits and cost-sharing subsidies, and the State's decision to opt into the Affordable Care Act's optional expansion of Medicaid coverage to individuals with household incomes up to 138 percent of the federal poverty level.

The current statutory Charity Care distribution formula, established pursuant to subsection b. of N.J.S.A.26:2H-18.59i, ranks hospitals according to the percentage of each hospital's gross patient revenue attributable to Charity Care patients, and pays hospitals with a higher rank a larger subsidy in proportion to their total documented Charity Care. Notably, the statutory formula provides for the hospitals that provide the most Charity Care and serve the communities with the lowest median incomes to receive exactly 96 percent of the hospital's documented Charity Care. The formula also provides for a minimum reimbursement to each hospital of 43 percent of its documented Charity Care. The current statutory formula has never been implemented precisely as enacted, as appropriations language has overridden it in each Appropriations Act since the current formula was established in 2004.

The proposed formula for FY 2018 (pages D-156 and D-157) differs from the statutory formula, and results in Charity Care subsidies that are less than the statutory minimum of 43 percent.

- **Questions:**
  - **a. Please provide a table displaying the hospital-specific distribution that would result from the statutory Charity Care distribution formula, using the most recent available cost and documented charity care data available.**

HOSPITAL NAME	Amount
AtlantiCare Regional MC - City	10,440,618
AtlantiCare Regional MC - Mainland	5,507,325
Bayshore Community Hospital	260,626
Bergen Regional Medical Center	17,479,694
Cape Regional Medical Center	462,893
Capital Health Medical Center - Hopewell	4,436,798
Capital Health Regional Medical Center	13,053,265
CarePoint Health - Bayonne Medical Center	2,615,328
CarePoint Health - Christ Hospital	10,394,010
CarePoint Health - Hoboken University Medical Center	10,600,458
CentraState Medical Center	1,432,018
Chilton Medical Center	464,332
Clara Maass Medical Center	1,993,297
Community Medical Center	1,058,072
Cooper Hospital/University MC	13,376,641
Deborah Heart and Lung Center	1,334,614
East Orange General Hospital	3,412,541
Englewood Hospital and Medical Center	2,860,205
Hackensack UMC - Mountainside	906,992
Hackensack UMC - Palisades	6,805,877
Hackensack UMC - Pascack Valley	137,213
Hackensack University Medical Center	7,408,272
Hackettstown Regional Medical Center	278,710
Holy Name Medical Center	1,068,122

Discussion Points (Cont'd)

Hunterdon Medical Center	1,361,807
Inspira Medical Center - Elmer	296,153
Inspira Medical Center - Vineland	4,824,762
Inspira Medical Center - Woodbury	543,107
Jersey City Medical Center	18,902,794
Jersey Shore University Medical Center	3,414,130
JFK Medical Center/A M Yelencsics	4,740,000
Kennedy University Hospital - Cherry Hill	679,179
Kennedy University Hospital - Stratford	564,759
Kennedy University Hospital - Wash Twp	731,128
Lourdes Medical Center of Burlington Cty.	1,347,845
Meadowlands Hospital Medical Center	117,901
Memorial Hospital of Salem County	90,834
Monmouth Medical Center	3,182,629
Monmouth Medical Center - Southern	2,204,245
Morristown Medical Center	4,144,943
Newark Beth Israel Medical Center	8,072,572
Newton Medical Center	428,663
Ocean Medical Center	1,243,040
Our Lady of Lourdes Medical Center	5,142,929
Overlook Medical Center	2,592,902
Raritan Bay Medical Center - Old Bridge	996,355
Raritan Bay Medical Center - Perth Amboy	7,060,436
Riverview Medical Center	916,767
Robert Wood Johnson University Hospital	9,992,107
RWJ University Hospital - Hamilton	1,114,031
RWJ University Hospital - Rahway	397,383
RWJ University Hospital - Somerset	1,110,554
Shore Medical Center	606,512
Southern Ocean Medical Center	267,768
St. Barnabas Medical Center	2,366,604
St. Clare's Hospital - Denville	1,932,481
St. Clare's Hospital - Dover	2,207,996
St. Francis Medical Center	6,013,960
St. Joseph's Regional Medical Center	41,341,107
St. Joseph's Wayne Hospital	702,900
St. Luke's Warren Hospital	541,654
St. Mary's General Hospital	3,862,809
St. Michael's Medical Center	6,473,665
St. Peter's University Hospital	12,464,626
Trinitas Regional Medical Center	29,145,115

Discussion Points (Cont'd)

University Hospital	48,147,762
University MC of Princeton - Plainsboro	2,113,135
Valley Hospital	793,095
Virtua-Mem. Hospital of Burlington County	1,705,961
Virtua-West Jersey Health Sys. - Marlton	911,169
Virtua-West Jersey Health Sys. - Voorhees	1,650,003

16. The American Health Care Act (AHCA) of 2017 is currently moving through the United States Congress as a priority initiative. The legislation would revise Affordable Care Act policies and restructure the Medicaid program. Any changes to the Medicaid program and the health insurance coverage policy framework could potentially affect the finances of New Jersey hospitals, for example through an increase in the mandatory provision of uncompensated care services. Any such increase could then trigger hospital industry requests for larger State Charity Care appropriations.

- **Questions:**

a. Has the department studied the likely impact of the AHCA on the finances of New Jersey hospitals? If so, please detail the findings of the analysis and indicate whether the department perceives any specific hospital's financial viability to be potentially in jeopardy under the AHCA framework.

The impact of federal changes cannot be assessed until a federal law is enacted.

b. Please project the likely impact over the next five fiscal years of the AHCA on uncompensated care services provided by New Jersey hospitals and, in turn, the State's Charity Care Program.

The impact of federal changes cannot be assessed until a federal law is enacted.

c. Is the department supportive of the policy changes proposed under the AHCA?

Given the many variables within the federal health care proposals being discussed, the Department is unable to comment at this time.

Graduate Medical Education

17. The FY 2018 Budget Recommendation includes an appropriation of $218.0 million for Medicaid Graduate Medical Education (GME) (page D-156). The budget displays the FY 2018 recommendation as a General Fund appropriation, but only $77.0 million of the total represents State funding. The remaining $141.0 million comes from federal funds (page C-4). The combined proposed $218.0 million appropriation reflects an increase of $30.0 million ($17.7 million State and $12.3 million federal) over the combined State and federal FY 2017 adjusted appropriation of $188.0 million. The recommended increase in FY 2018 continues a long-term trend of growth. Appropriations for GME were: $60.0 million in FY 2010 and FY 2011; $90.0 million in FY 2012 and FY 2013; $100.0 million in FY 2014 and FY 2015; $127.3 million in FY 2016; $188.0 million in FY 2017; and $218.0 million in FY 2018.

Historically, Medicaid GME has been supported with 50 percent federal funds, but beginning with the Governor's FY 2016 Budget Recommendation, the State anticipated a higher matching rate of approximately 67 percent due to the number of patients seen by the hospitals who are eligible for a higher percent federal match from Medicaid under the Affordable Care Act. The recommended FY

Discussion Points (Cont'd)

2018 appropriation anticipates a 64.7 percent federal match, a decrease from 65.6 percent in FY 2017. Medicaid GME pays hospitals under two related systems: direct GME which makes payments to hospitals to cover the costs directly related to educating residents; and indirect GME, which is payments to teaching hospitals intended to account for higher costs of providing specialized care to highly complex patients. In FY 2018, 43 hospitals will receive GME funding.

Furthermore, the American Health Care Act of 2017 is currently moving through the United States Congress as a priority initiative. The legislation would revise Affordable Care Act policies and restructure the Medicaid program.

- **Questions:**
  - **a. Why does the department anticipate a slightly reduced federal match in FY 2018?**

    The slightly reduced federal percentage reflects the modest scheduled decrease in federal funding for the Affordable Care Act Medicaid expansion population.

  - **b. Does the department anticipate continued growth in funding GME into the future? If yes, please detail the growth projections**

    The Department is monitoring GME in the industry along with federal funding and cannot make a projection at this time.

  - **c. What would be the impact on the availability of federal GME matching funds under the provisions of the American Health Care Act of 2017 in each of the next five fiscal years?**

    Given the many variables within the federal health care proposals being discussed, the Department is unable to assess the impact at this time.

  - **d. If the full anticipated FY 2018 federal GME matching fund amount of $141.0 million were not to be received from the federal government in FY 2018, would the State cover the shortfall so as to guarantee a $218.0 million FY 2018 program appropriation?**

    The response to a federal revenue shortfall would be evaluated as part of the larger State budget outlook at that time.

18. The FY 2017 Appropriations Act included language requiring "each hospital receiving a GME allocation shall, on or before May 1st, provide a report to the Commissioner of Health indicating the total number of physicians who completed their training during the preceding calendar year, and the number of those physicians who plan to practice medicine within the State of New Jersey" (page B-81 of the FY 2017 Appropriations Handbook).

- **Question:**
  - **a. Could the department please provide a copy of any report that has already been submitted?**

    The hospitals have submitted raw data and it is being reviewed and compiled by the Department.

<u>Delivery System Reform Incentive Payments</u>

Discussion Points (Cont'd)

19. The Delivery System Reform Incentive Payments (DSRIP) program, a component of the Comprehensive Medicaid Waiver, is a five-year federally co-funded demonstration project to be completed on June 30, 2017. DSRIP provides subsidies to 49 participating hospitals that carry out approved projects designed to improve the quality of care provided, the efficiency with which care is provided, or population health.

The State is negotiating a one-year extension of the DSRIP program, referred to as the Next Generation DSRIP, with the Centers for Medicare and Medicaid Services (CMS) for FY 2018.[12] Additionally, the State's renewal application for the federal Medicaid waiver also includes a request to continue funding Next Generation DSRIP for five more years. At this time, DOH is negotiating with CMS to create a DSRIP program that has more community partner inclusion, project partner revenue sharing, and is more aligned with regional planning collaboratives, such as Accountable Care Organizations.

The FY 2018 Budget Recommendation includes language stating that an unchanged $166.6 million is appropriated for DSRIP (page D-157). The appropriation has three funding sources: $62.6 million from the General Fund (page D-156); $20.7 million from the Health Care Subsidy Fund (a portion of the recommended $286.6 million FY 2018 All Other Funds appropriation on page D-156 and referenced on page H-12); and $83.3 million in federal funding (a portion of the recommended $89.2 million FY 2018 Federal Funds appropriation on page D-156 and referenced on page H-12). The Budget Recommendation also includes new language that authorizes the DOH to transfer the recommended $166.6 million FY 2018 DSRIP appropriation to the Charity Care or Graduate Medical Education programs if CMS rejects the State's waiver extension request for the DSRIP program so as to ensure that payments to hospitals continue to include federal matching funds.

Furthermore, the American Health Care Act of 2017 is currently moving through the United States Congress as a priority initiative. The legislation would revise Affordable Care Act policies and restructure the Medicaid program.

- **Questions:**
  - **a. Please provide the distribution by hospital of the recommended $166.6 million FY 2018 DSRIP appropriation.**

Participating DSRIP Hospitals	Target Funding
ATLANTICARE REG'L MEDICAL CENTER	6,676,138
BERGEN REG'L MEDICAL CENTER	14,046,927
CAPE REGIONAL MEDICAL CENTER	306,963
CAPITAL HEALTH SYSTEM - FULD CAMPUS	3,535,341
CAPITAL HEALTH SYSTEM - HOPEWELL	1,898,860
CAREPOINT - BAYONNE MEDICAL CENTER	250,000
CAREPOINT - CHRIST HOSPITAL	2,203,816
CAREPOINT - HOBOKEN UMC	1,053,708
CENTRASTATE MEDICAL CENTER	425,804
CHILTON MEMORIAL HOSPITAL	250,000
CLARA MAASS MEDICAL CENTER	2,755,066

[12] https://dsrip.nj.gov/

Discussion Points (Cont'd)

COMMUNITY MEDICAL CENTER	452,606
COOPER UNIVERSITY MEDICAL CENTER	6,122,062
EAST ORANGE GENERAL HOSPITAL	2,687,750
ENGLEWOOD HOSPITAL ASSOCIATION	404,564
HACKENSACK UMC - MOUNTAINSIDE	277,127
HACKENSACK UNIVERSITY MEDICAL CENTER	1,479,694
INSPIRA MEDICAL CENTER - ELMER	250,000
INSPIRA MEDICAL CENTER - VINELAND	4,350,233
INSPIRA MEDICAL CENTER - WOODBURY	763,136
JERSEY CITY MEDICAL CENTER	7,596,119
JERSEY SHORE MEDICAL CENTER	3,529,681
JFK MEDICAL CENTER / A. M. Yelensics	408,104
KENNEDY UNIVERSITY HOSPITAL	6,402,389
LOURDES MED CTR OF BURLINGTON CNTY	2,047,576
MONMOUTH MC SOUTHERN - KIMBALL	4,969,597
MONMOUTH MEDICAL CENTER	7,642,526
MORRISTOWN MEMORIAL HOSPITAL	451,595
NEWARK BETH ISRAEL MEDICAL CENTER	12,336,508
NEWTON MEMORIAL HOSPITAL	250,000
OUR LADY OF LOURDES MEDICAL CENTER	2,428,853
OVERLOOK HOSPITAL	264,483
PALISADES GENERAL HOSPITAL	897,627
R. W. JOHNSON UNIVERSITY HOSPITAL	3,927,127
RARITAN BAY MEDICAL CENTER	2,444,506
RWJ UNIVERSITY MEDICAL CTR AT HAMILTON	250,000
ST. BARNABAS MEDICAL CENTER	462,214
ST. CLARE'S-RIVERSIDE MED CTR DENVILLE	5,530,996
ST. FRANCIS MEDICAL CENTER (TRENTON)	1,250,987
ST. JOSEPH'S HOSPITAL MEDICAL CENTER	10,705,204
ST. LUKE'S HOSPITAL (formerly Warren Hospital)	250,000
ST. MARY'S HOSPITAL (PASSAIC)	2,302,211

Discussion Points (Cont'd)

ST. MICHAEL'S MEDICAL CENTER	6,635,156
ST. PETER'S MEDICAL CENTER	4,532,171
TRINITAS REGIONAL MEDICAL CENTER	9,421,729
UNIVERSITY HOSPITAL	13,516,857
UNIVERSITY MED CTR PRINCETON @ PLAINSBORO	298,872
VIRTUA - MEML HOSPITAL OF BURLINGTON COUNTY	710,516
VIRTUA - WEST JERSEY HEALTH SYSTEM	887,512

b. Please provide a copy of the plan for Next Generation DSRIP.

Please refer to Attachment C2 of the following link:

http://www.state.nj.us/humanservices/dmahs/home/waiver.html

c. If CMS does not approve DSRIP beyond June 30, 2017, which of the participating hospitals will likely continue with their DSRIP programs?

The Department's expectation is that some form of the delivery systems transformations would continue in participating hospitals.

d. Please provide an evaluation of the performance of the expiring five-year DSRIP program. What outcomes made the program a success and what outcomes did not meet initial department expectations? Does the department notice significant variations in each hospital's ability to meet department DSRIP program performance objectives?

The Department intends to conduct an independent evaluation of the performance of the DSRIP program following data submissions at the conclusion of Project Year 5 in June 2017. The Department expects to receive the evaluation during 2018.

e. What would be the impact on the availability of federal DSRIP matching funds under the provisions of the American Health Care Act of 2017 in each of the next five fiscal years?

The impact of federal funding changes cannot be assessed until a federal budget is enacted.

20. Myers & Stauffer LC. holds the contract for the "Hospital Incentive Program" for the period September 16, 2013 through September 15, 2017. This program provides management, oversight, and education to the DSRIP program. The contractor's compensation amount was $3.75 million annually.

On February 17, 2018, a new bid solicitation was issued by the Department of the Treasury for the "Hospital Incentive Program."[13] This new bid solicits a program to design, implement and administer the Next Generation DSRIP in New Jersey. According to the bid solicitation, New Generation DSRIP is an extension of the current program coordinated with the anticipated renewal of the current New Jersey Comprehensive Medicaid 1115 Waiver.

[13] http://www.state.nj.us/treasury/purchase/specialnotices/021717a.shtml

Discussion Points (Cont'd)

- **Questions:**
  a. **What is the estimated total amount, broken out by State and federal cost share, that Myers & Stauffer LC will receive for services provided under its four-year "Hospital Incentive Program" contract?**

     Myers and Stauffer will receive approximately $6.5 million under the current four-year contract. Fifty percent of the costs are reimbursed by federal funding.

  b. **For each of the last five fiscal years, how many full-time and part-time staff were assigned to the design, implementation, and administration of the DSRIP program annually and what were total annual DSRIP administrative expenditures by spending category?**

     For the last 5 fiscal years, 13 full time and part time staff were assigned to the design, implementation and administration of the DSRIP program. DSRIP administrative expenditures are found within Health Planning and Evaluation.

  c. **How many full-time and part-time staff does the department have dedicated, or plans to have dedicated, to the design, implementation, and administration of the Next Generation DSRIP program in FY 2017 and FY 2018?**

     In FY 2017, the Department plans to have 8 staff contribute to the design, implementation and administration of the Next Generation DSRIP program. FY 2018 staffing needs will be determined following completion of CMS negotiations on the 1115 Renewal Waiver.

  d. **Please provide a progress update on the bid solicitation for the "Hospital Incentive Program." Please indicate: a) the number of RFP submissions; b) the date by which the department expects a contract award; c) if applicable, the name of the bidder to whom the State has awarded any contract and the terms of future payment.**

     Proposals from prospective vendors responding to the Hospital Incentive Program RFP are due on May 17, 2017.

<u>Federally Qualified Health Centers</u>

21. P.L.2005, c.237 allocated $40 million annually from the surcharge on each general hospital and each specialty heart hospital to federally qualified health centers (FQHCs). The FY 2018 Budget Recommendation includes language which overrides this statute and allocates only $28.0 million for reimbursements to FQHCs for uncompensated care provided to uninsured patients (page D-159). This funding is consistent with the $28 million authorized for the FQHCs in the FY 2017 Appropriations Act (Appropriations Handbook page B-82).

In response to FY 2016 OLS Discussion Points, the department anticipated 319,802 uncompensated care visits to FQHCs in FY 2016, but revised that estimate to approximately 400,000 visits in response to last year's OLS Discussion Points.

FQHCs provide comprehensive primary health care services primarily to uninsured, underinsured, Medicaid, and Medicare patients. Services are charged on a sliding scale based on patients' income. In 2014, Medicaid funds accounted for 43.3 percent of FQHC budgets, while State uncompensated care accounted for 11 percent.[14]

[14] Page 3, NJPCA 2016 Edition, New Jersey's Federally Qualified Health Centers, Quick Facts.

Discussion Points (Cont'd)

- **Questions:**
  a. **Please provide the actual or estimated number of visits to FQHCs which were or are estimated to be reimbursed through uncompensated care funding in FY 2016, FY 2017, and FY 2018.**

     FY2016 (Actual) – 301,066
     FY2017 (Estimated) – 294,160
     FY2018 (Estimated) – 303,043

  b. **Please elaborate on why the drop in uncompensated care visits at the FQHCs that was anticipated in 2015 for FY 2016 did not materialize.**

     An unexpected number of pregnant women transitioned from the Medicaid Undocumented Pregnant Women program to the Uncompensated Care Fund.

  c. **Has the department received any information on why individuals are receiving uncompensated care, but are not eligible for Medicaid?**

     Federal rules prohibit FQHCs from inquiring about citizenship status. Undocumented patients are not required by CMS to have health coverage or Medicaid.

Health Care Facilities

22. N.J.A.C.8:43E establishes the general licensure procedures and standards applicable to all licensed long-term care and acute care facilities. The department, or its designee, may conduct periodic or special inspections of licensed health care facilities to evaluate the fitness and adequacy of the facility and to ascertain whether the facility complies with all applicable State and federal licensure regulations and statutes.

The department, or its designees, may also conduct surveys of facilities on behalf of the U.S. Department of Health and Human Services for purposes of evaluating compliance with all applicable federal regulations or Medicare and Medicaid certification regulations.

Ten days after conclusion of the survey, or inspection, the department will provide a facility with a written summary of any factual findings which indicate a violation of licensure. The regulations outline the process for informal dispute resolution (N.J.A.C.8:43E-2.3), implementing a plan of correction (N.J.A.C.8:43E-2.4), and enforcement remedies available to the department (N.J.A.C.8:43E-3.1). Enforcement remedies include a civil monetary penalty; curtailment of admissions; appointment of a receiver or temporary manager; provisional license; suspension of license; revocation of a license; order to cease and desist operation of an unlicensed health care facility; and other remedies for violations of statutes as provided by State or federal law or regulations.

- **Questions:**
  a. **What is the total revenue anticipated to be collected by the department from fines and penalties in FY 2017 and FY 2018? If possible, please detail these amounts by type of facility.**

     The Department anticipates that the total revenue to be collected from state fines will be $335,747.
     - Hospitals - $174,316
     - Non-Hospitals, acute care - $25,895

Discussion Points (Cont'd)

- Long Term Care - $135,536

The Department anticipates $335,747 for 2018.

b. Has the department had to take action against a long-term care or acute care facility's license in FY 2017? If yes, how many actions, and against how many licensees?

In FY 2017, to date, the Department has had to take 892 actions against long-term care or acute care facility licenses. Some facilities may have had several actions taken against them.

23. The DOH surveys long-term care facilities on behalf of the U.S. Department of Health and Human Services for purposes of evaluating compliance with all applicable federal regulations, including Medicare and Medicaid certification regulations. If during these surveys the DOH identifies violations by the facility, it may recommend to the federal department Civil Monetary Penalties (CMPs).[15] CMPs are imposed for either the number of days or for each instance a facility is not in substantial compliance with one or more Medicare and Medicaid participation requirements for long-term care facilities. A portion of CMPs collected from facilities is returned to the state in which the CMPs were imposed. State CMP funds may be reinvested to support activities that benefit nursing facility residents and that protect or improve their quality of care or quality of life. Each state has its own process for facilities to request funding from CMPs. According to the department's responses to the FY 2017 Discussion Points, through April 6, 2016, the DOH had recommended 76 federal CMPs against long-term care facilities.

- **Questions:**

a. What was the amount of federal funds received by New Jersey from CMPs for allocation to requesting long-term care facilities in FY 2016 and FY 2017 to date?

In FY 2016, $176,223 CMP funding was received from CMS. In FY 2017, $115,366 has been received through March 31, 2017. CMS designated CMP funds for projects that provide direct benefit to the residents of federally certified nursing homes.

b. What was the amount of funding provided to approved long-term care facilities from federal CMP revenue in FY 2016 and FY 2017 to date?

FY 2016: $818,146
FY 2017 (through March 31, 2017): $15,700

Funding granted by the Department varies based upon project scope and length. Availability of funds varies with fluctuating income, past surplus and project payments and approvals are made only upon having sufficient funds. In 2016, final payments were made for two extensive projects, along with other smaller payments. Consequently, there is less funding available in 2017.

c. How many facilities requested funding from CMPs in the State in FY 2016 and FY 2017?

[15] https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/SurveyCertificationGenInfo/Downloads/CMP-FAQs.pdf

Discussion Points (Cont'd)

CMS designated CMP funds for projects that provide direct benefit to the residents of federally certified nursing homes. Projects may be conducted by agencies other than nursing homes, such as industry associations or universities.
FY 2016: 5
FY 2017: 6

d. How many facilities were granted funding from CMPs in the State in FY 2016 and FY 2017?

CMS designated CMP funds for projects that provide direct benefit to the residents of federally certified nursing homes. Projects may be conducted by agencies other than nursing homes, such as industry associations or universities.

FY 2016: 2
FY 2017: 3

e. Does the DOH receive cost reimbursements from the U.S. Department of Health and Human Services for surveying long-term care facilities for compliance with all applicable federal regulations? If so, how much did the DOH receive in each of the last three completed fiscal years?

The Department received the following cost reimbursements from USDHHS:

FY 2014: $9,097,123
FY 2015: $9,045,336
FY 2016: $9,238,417 (not finalized)

Substance Use Disorder Treatment

24. In his State of the State address, the Governor requested legislation which would increase insurance treatment for substance use disorder. In response to this call, the Legislature and the Governor enacted P.L.2017, c.28. This new law requires private insurance carriers to provide 28 days of inpatient or outpatient substance use disorder services to individuals who have been medically certified to need this treatment. Additionally, the Department of Human Services has requested the expansion of reimbursable substance use disorder treatment services in its Medicaid Waiver Submission, the NJ FamilyCare 1115 Comprehensive Demonstration Application for Renewal, which was submitted to the federal Department of Health and Human Services on January 6, 2017.[16] Both of these changes will most likely lead to an increased need for treatment services. Accordingly, the Department of Health issued a public notice inviting Certificate of Need applications on a full review basis to establish new adult acute care psychiatric beds in February 2017.

In the notice, the department provided an estimate that 864 additional beds would be needed throughout the State. Furthermore, the department published that it would give special consideration to proposals including: a regional approach to address the mental health and co-occurring substance use disorder treatment need; an approach that provides adult acute care and outpatient mental health and co-occurring substance use disorder services in regions which currently have no adult acute care psychiatric beds; and innovative ways to provide treatment to patients who have mental health and co-occurring substance use disorders.

[16] http://www.state.nj.us/humanservices/dmahs/home/waiver.html (accessed January 25, 2017)

Discussion Points (Cont'd)

- **Questions:**

a. Does the DOH anticipate that public funds will be used to assist providers in accelerating the building or expansion of facilities to provide these new beds?

The Department does not fund the building or expansion of facilities. However, the New Jersey Health Care Facilities Financing Authority can arrange low-interest, tax-exempt financing for any nonprofit New Jersey health care facility, including those that treat substance use disorders.

b. What is the revenue the DOH anticipates collecting through the additional Certificate of Need applications?

The Department cannot predict how many applications will be received in response to the call. The Fee structure is as follows:

Total Project Cost (TPC)	**Fee Required**
$1,000,000 or less	$7,500
Greater than $1,000,000	$7,500 + 0.25% of TPC

c. What is the DOH's timeline for the approval of the Certificate of Need applications for the additional beds?

The Department's estimated timeline is as follows:

- Applications due 5/1/17;
- Completeness review decision to be issued by 8/1/17;
- State Health Planning Board to make recommendations to the Commissioner by 10/1/17;
- Commissioner to make decision regarding applications by 12/1/17.

Emergency Medical Services Helicopter Response Program

25. JEMSTAR, the New Jersey Emergency Medical Services Helicopter Response Program, was established by P.L.1986, c.106 (N.J.S.A.26:2K-35 et seq.) to provide rapid emergency helicopter transport and care for trauma patients in New Jersey. This program is operated jointly by the DOH's Office of Emergency Medical Services and the Department of Law and Public Safety's Division of State Police.

The State Police maintain the helicopters and provide the pilots. Hospitals staff the aircraft with nurses and paramedics, whose costs are supported in part by DOH grants. A typical three-year grant is for approximately $3 million total. University Hospital in Newark is the grantee that primarily provides services in North Jersey under the NorthSTAR banner. Until July 1, 2016, Virtua Health was the grantee that primarily provided services in South Jersey under the SouthSTAR banner. However, in 2016, Virtua Health did not reapply for the grant, nor did any other contractor. Therefore, at this time, only private helicopter services are available in South Jersey.

JEMSTAR emergency transportation services are free of charge to the public. The program is funded through a $3 surcharge on motor vehicle registrations (N.J.S.A.39:3-8.2 a.). The FY 2018 Budget Recommendation shows $31.1 million in anticipated combined FY 2018 collections from this surcharge and a separate $1 surcharge on motor vehicle registrations dedicated to funding new State Police trooper classes (page C-14). Most of the $3 surcharge collections are transferred to the Division of State Police in the Department of Law and Public Safety to support MedEvac operations and

Discussion Points (Cont'd)

maintenance, and other State Police purposes. According to budget documents, DOH expended $3.8 million in FY 2016 for JEMSTAR grants and administrative expenses. Although the FY 2017 and FY 2018 spending plans are not available at this time, the OLS expects the DOH's program expenditures to decrease relative to FY 2016 owing to SouthSTAR's July 1, 2016 cessation.

When the JEMSTAR program began, it was the primary means of air medical services in New Jersey. In 2006, the DOH began licensing private air medical service companies and in 2007, the DOH changed the dispatch protocol to allow private companies to receive priority for calls in certain circumstances. In 2010, the DOH modified the dispatch protocol further mandating the dispatch of whichever helicopter was closest to the patient, regardless of whether the aircraft was operated by the State or a private company and regardless of cost.

According to press reports, the "decisions opened the door for six private companies that have dramatically increased operations in South Jersey over the last decade. They include Monmouth Ocean Healthcare Cooperative, AtlantiCare Regional Medical Center, Hospital of the University of Pennsylvania, which operates out of Atlantic City, Thomas Jefferson University Hospital and Cooper University Hospital."[17] Furthermore, the increase in private competition has come at a cost to consumers. Private medical helicopters can reportedly cost patients tens of thousands of dollars[18], while JEMSTAR flights operate at no cost to patients.

- **Questions:**

a. How many applications has the department received for the SouthSTAR grant? If these funds were not expended, are they being held for a reissuing of fund availability?

The Department did not receive any applications for the SouthSTAR grant. The Department is not holding the funding.

b. When does the DOH plan to issue a new notice of fund availability for SouthSTAR?

The Department will continue to monitor Air Medical Helicopters servicing South Jersey and will reissue a Notice of Fund Availability if needed.

c. Has there been any indication that University Hospital will continue operations in the north and apply for the next NorthSTAR grant?

To our knowledge, University Hospital will continue to operate NorthSTAR.

d. How many private helicopters are currently available for dispatch in the State? Please provide the information by geographic coverage area and name the operators.

There are currently 19 private air medical helicopters available for dispatch in NJ.

Northern Air Medical Helicopters:

1. Atlantic Health System: Air Med 1
2. Atlantic Health System: Air Med 2
3. Hackensack Meridian Health: Air Med
4. MidAtlantic MedEvac: Air Med
5. STAT MedEvac: Air Med 1

[17] http://www.app.com/story/news/health/2016/07/08/south-jersey-air-medical-service-grounded/86616316/
[18]http://www.nj.com/south/index.ssf/2016/07/southstars_grounding_means_no_more_free_air_medica_1.html

Discussion Points (Cont'd)

6. STAT MedEvac: Air Med 2
7. STAT MedEvac: Air Med 3

Southern Air Medical Helicopters:

1. Monmouth Ocean Hospital Service Corporation: Air Med
2. MidAtlantic MedEvac/AtlantiCare Reg Med Center: Air Med 1
3. MidAtlantic MedEvac/AtlantiCare Reg Med Center: Air Med 2
4. Cooper University Hospital: Air Med
5. Jefferson University Hospital: Air Med 1
6. Jefferson University Hospital: Air Med 2
7. University of Pennsylvania Health System: Air Med 1
8. University of Pennsylvania Health System: Air Med 2
9. University of Pennsylvania Health System: Air Med 3
10. Christiana Care Health System: Air Med 1
11. Christiana Care Health System: Air Med 2
12. Temple University Hospital: Air Med

e. What is the average cost to the State for the use of a NorthSTAR helicopter per trip in FY 2017? Please differentiate between costs for emergency response and medical transport between facilities.

The Department awards the NorthSTAR grant based on annual costs for the medical services only, not total helicopter costs. The estimated annual medical services cost is $1.5 million.

f. What is the average cost for the use of a private medical helicopter per trip in 2017? Please differentiate between costs for emergency response and medical transport between facilities.

The Department does not regulate response reimbursement.

g. Please comment on the DOH's understanding of why the publicly funded JEMSTAR program has been supplanted in South Jersey. Has the cessation of SouthSTAR been beneficial to patients?

Since its inception, SouthSTAR volume has decreased while the private programs support emergency response in the region.

h. Please provide a spending plan for FY 2017 and FY 2018 for the DOH component of the Emergency Medical Services Helicopter Response Program.

The spending plan for FY 2017 is $2.5 million for the Department's component of the EMS response program and $3.7 million for FY 2018 if SouthSTAR is filled.

Family Planning Services

26. Section 103 of the proposed federal "American Health Care Act" includes a provision which would prohibit that any federal funds be made available to a State for payments to a prohibited entity, either directly or through a managed care organization under contract with the State. Prohibited entity is defined as a non-profit community provider which is primarily engaged in family planning services,

Discussion Points (Cont'd)

reproductive health, and related medical care and provides abortions. The Congressional Budget Office, in its analysis of the act, asserted that this provision would apply to funding for Planned Parenthood.[19]

- **Questions:**
  - **a. What is the total amount of federal funding that the DOH anticipates receiving in FY 2017 and FY 2018 that DOH intends to direct to Planned Parenthood, either directly or indirectly?**

    Of the total amount awarded for Family Planning, a portion is indirectly contracted to Planned Parenthood.

  - **b. What is the total amount of State funding that the DOH anticipates directing to Planned Parenthood in FY 2017 and FY 2018, either directly or indirectly?**

    The Department does not anticipate directing State funds to Planned Parenthood in FY 2017 or FY 2018 either directly or indirectly.

  - **c. If federal funding were no longer permitted to be appropriated to Planned Parenthood, how much of the current federal funding directed to Planned Parenthood would be replaced with State funding?**

    If federal funding were no longer permitted to be appropriated to Planned Parenthood, there is no State funding in the proposed budget.

  - **d. What is the total amount of State funding that the DOH anticipates providing for family planning services in FY 2017 and FY 2018, either directly or indirectly?**

    The Department does not anticipate providing State funds for family planning services in FY 2017 or FY 2018, either directly or indirectly.

  - **e. What is the total amount of federal funding anticipated to be provided through DOH for family planning services in FY 2017 and FY 2018, either directly or indirectly?**

    It is anticipated that family planning services will receive approximately $2.1 million in federal funding annually in FY 2017 and FY 2018.

  - **f. Please detail the funding anticipated to be provided for family planning services through DOH by grantee for FY 2017 and FY 2018.**

    Only federal funds are awarded to the New Jersey Family Planning League as its sole grantee for FY 2017 and FY 2018.

[19] https://www.cbo.gov/publication/52486